



**RBA: PeopleTrust A&D Loan  
CITY OF AUSTIN  
RECOMMENDATION FOR BOARD ACTION**

**AGENDA ITEM NO: 1  
AGENDA DATE: 11/19/2009  
PAGE: 1 OF 3**

**SUBJECT:** Approve negotiation and execution of an Acquisition and Development Program loan to Austin Community Land Trust dba Austin PEOPLETRUST, or its affiliate organization, in an amount not to exceed \$1,815,300, to assist with the acquisition and development of 9.41 undeveloped acres of land.

**AMOUNT & SOURCE OF FUNDING:** Funding is available in the Fiscal Year 2009-2010 Capital Budget of the Austin Housing Finance Corporation.

**FISCAL NOTE:** A fiscal note is attached.

**REQUESTING DEPARTMENT:** Austin Housing Finance Corporation

**FOR MORE INFORMATION CONTACT:** Margaret R. Shaw, Treasurer, Austin Housing Finance Corporation, 974-3100

**PRIOR BOARD ACTION:** This project was previously approved by the Board on September 24, 2009. The action today will change the borrower from Momark Development, LLC to Austin PeopleTrust.

**PRIOR COUNCIL ACTION:**

-----

The requested Acquisition and Development Program funding will facilitate the acquisition and development of 9.41 acres of undeveloped land. The project will construct fifty (50) single-family detached homes to be sold to low- and moderate-income homebuyers and is located at 2903 Cameron Loop.

**Funding Request**

- \$800,000 for the acquisition of property on Cameron Loop located south of West William Cannon Drive and just east of Westgate Boulevard.
- \$1,015,300 for infrastructure development.
- If approved, the Austin Housing Finance Corporation (AHFC) investment would represent \$36,606 per house.

Estimated sources and uses of funds for the project are as follows:

<u>Sources:</u>		<u>Uses:</u>	
G.O. Bond Funds	\$1,815,300	Acquisition	\$800,000
Momark Private Financing	<u>5,191,354</u>	Pre-Development & Development	2,056,654
<b>Total</b>	<b>\$7,006,654</b>	Hard Costs	3,625,000
		Soft and Carrying Costs	<u>525,000</u>
		<b>Total</b>	<b>\$7,006,654</b>

The requested funding is available in the Fiscal Year 2009-2010 budget allocation of the AHFC, and the request is consistent with the City of Austin's currently approved Consolidated Plan and the AHFC's strategy to provide assistance through below market-rate financing to provide home ownership opportunities for low- and moderate-income households.

#### **Development Characteristics**

- Home sizes will range from 900 square feet to 1,750 square feet
- Prices are estimated to be between \$95,000 to \$145,000
- Long-term affordability will be achieved by using a Shared Equity ownership model and Right of First Refusal.
- PeopleTrust, a local non-profit organization, and Momark have an agreement to provide marketing services, to ensure buyers are income-eligible, and to service the long-term affordability component for the subdivision.
- FrameWorks CDC, a local non-profit, will provide the homebuyer education component.
- The entire project is expected to be completed and the homes sold by the end of September 2011.

#### **Population Served**

- All homes will be reserved for households with incomes at 80 percent or less of the Median Family Income (MFI), currently \$58,650 for a family of four.
- The lower priced homes could be affordable to households at 50 percent MFI, currently \$36,650 for a family of four.
- The project was sent to the Housing Bond Review Committee (HBRC) for review on July 15, 2009. The HBRC supported the project.

#### **Austin PeopleTrust**

Austin PeopleTrust is a 501(c)(3) organization with extensive staff experience and project experience in affordable housing. Austin PeopleTrust is the Affordable Housing Administrator for Catellus, the Master Development for the City of Austin's Robert Mueller Municipal Airport (RMMA) Redevelopment Project. Since 2008, Austin PeopleTrust has closed 133 affordable shared equity homeownership units for this project. Austin PeopleTrust has received awards from Greenlights for Excellence in Innovation and the Liveable Vision Award in Equity from Liveable City.

**Momark Development, LLC (Momark)**

Momark Development, LLC, led by Mr. Terry Mitchell, has completed or is in the process of completing developments such as Plum Creek, Chestnut Commons, the MacMora Cottages, the Austonian, and the Sanctuary Lofts. Momark has received awards from Envision Central Texas for Best New Development of 2006 (Plum Creek) and Best New Development of 2007 (the MacMora Cottages) and was a finalist for Best Redevelopment in 2006 (Sanctuary Lofts).